

BRITISH MOUNTAINEERING COUNCIL

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Board of Directors

Redacted minutes of the Board meeting held by way of GoToMeeting on Thursday 9 April 2020
at 7pm

Directors Present:	Gareth Pierce (GP)	Chair
	Matthew Bradbury (MB)	Senior Independent Director
	Paul Drew (PD)	Independent Director
	Jonny Dry (JD)	Nominated Director (Fundraising)
	Huw Jones (HJ)	Nominated Director (Finance)
	Amanda Parshall (AP)	Independent Director
	Jon Punshon (JP)**	Council Nominated Director (CND)
	Lynn Robinson (LR)	President
	Fiona Sanders (FS)	CND
	Chris Stone (CS)	CND
	Dave Turnbull (DT)	CEO
	Jonathan White (JW)	Nominated Director (Clubs)
In attendance:	Lucy Valerio (LV)	Company Secretary
	Alan Brown (AB)	Financial Controller
	Arun Patel (ArP)	Membership Co-ordinator

* denotes supporting paper(s) circulated prior to meeting

** until end of minute 2.7

Actions

1. Welcome, apologies & declaration of interests

GP welcomed everyone to the meeting. He noted there were no apologies. He added the AB and ArP had joined the call to discuss the issues surrounding finances and membership attrition rates.

Conflicts of interest declared:

- MB in respect of BMC Access & Conservation Trust (ACT)
- DT, LV, AB and ArP as members of staff
- CS as a volunteer requesting funding from the BMC for an event
- General conflict in respect of several Board members being members of clubs

2. Financial Update*

- 2.1 GP asked DT to provide an update in respect of the work on finances. DT said a lot of work has been undertaken, together with a membership update and he hopes that membership figures can be updated monthly, possibly weekly. He added it is critical for the financial forecast that what members are deciding to do in respect of their membership is understood. DT asked ArP to tell the Board what he had been doing in respect of members cancelling memberships.

ArP said that in respect of direct debits (DD) the usual figure of retention is 88%. the figures from 1st April show that there has been no change to this, so at present it appears this figure is unaffected. The impact on non-DD memberships will be known towards the end of April. He said that what is affected, is new members, this figure has effectively reduced to zero, and the reason why needs to be understood. He said it is clear why those who become a member solely to purchase travel insurance, or because they are undertaking mountain training qualifications have stopped, it is the 'pure' members that need to be understood.

HJ added that the Finance and Audit Committee (FAC) had been through the figures that ArP has been using and they feel the figures are reasonable. He said he wants to steer weekly figures through the FAC so that they can use the numbers to prepare a report for the weekly Board calls.

- 2.2 The meeting then discussed the figures being used, as JW noted GP had referred to information provided which showed 500 members per month not renewing memberships, but ArP had said 800. The following was noted:
- the figure of 500 was from slide 8 of the document 'membership status report_9 April' which was on Teamwork and was 12% of the 4,000 lapsed members figure
 - the numbers provided in a spread sheet from Jon Chittenden did not match the numbers in the PowerPoint presentation
 - AB's figures show a number of 1,200
 - the figures should be provided to the FAC for them to model.

JW said that attrition rates for club members should be added. He felt that the figures used in the PowerPoint presentation were too optimistic as they showed that there would be a lower attrition rate in 2020 than in 2019, and he said that cannot be right.

FS said that it was possible that smaller clubs with about twenty members could fold, as they may lose members and therefore reach the lowest permitted number of 10. HJ said that this had not been considered in the figures yet. It can be done and HJ will ask the FAC to consider this in respect of student clubs, which renew in September. JW said that the figures need to be pessimistic about the loss of clubs as they currently effectively show no attrition.

GP asked if the Board agreed to the figures being provided to the FAC so they could report back to the Board. The Board agreed with this proposal.

**Agreed
Action:
HJ**

- 2.3 The meeting then turned to the figures prepared by AB (BMC Corona budget review 2020 at 8Apr2020). The following points were made:
- PD asked if the lost income of £563k (as set out in p.3) was a ball park figure, or was it a bit pessimistic.
 - JW asked for AB to look at other income the BMC will not receive e.g. income for the Whillans Hut (for which the BMC is apparently not eligible for the £10k SBPR grant), and for such figures to be included in the next budget prepared
 - GP noted the estimate of savings in respect of the 10 furloughed staff, with the assumption these staff return in September and that the government scheme is not as generous as 80% for June-August.
 - AB said the figures are based on travel insurance income being zero. until December 2020, furloughed staff returning on 1 September and the other figures are as per JW's.
 - HJ noted there will also be an impact on 2021 figures.
 - JW said the figures looked like a 5-month lockdown, but it was not clear. He asked for how long is it being assumed that no new members will be generated re insurance and mountain training, and at what point is it believed these figures will pick up again.
 - PD noted in terms of 2021, the figures showed a drop in January 2021, but a return to more normal figures in February 2021 – JW felt this was too optimistic.
 - JW said he was surprised there is only 10% of savings to be made, he asked if the figures could be looked at again to find all the savings that can be made, especially as the BMC are not running any events until the end of June. DT noted that a lot of BMC events do not incur costs.

- GP said further savings should be found.

2.4 CS asked when would volunteers be informed that funding for festivals has been cut, at present they have only been told not to commit to anything. He felt they needed to be told as soon as possible. FS said maybe next week a decision could be taken that there should be no expenditure on events in the remainder of 2020. She said it would be useful to have a policy in place so that all Areas could be told the same thing.

JW noted a figure of c. £500k spent on specialist programmes, and with many of these currently on hold, stated that surely there would be significant savings.

GP asked if the Board wanted a list of events in order to enable it to make a decision as to what should happen with those events.

JW said this was the third time this had been requested, and asked who is going to look at this. DT said he did go through the list initially, but will sit down with AB on Tuesday before the FAC meeting, to agree on areas where expenditure can be cut.

**Action:
DT & AB**

Agreed

It was agreed that the figures AB and DT arrive at will be fed back to the FAC.

2.5 GP then steered the meeting to discuss the offer being made to members who cancel their direct debits and asked ArP to set out how it is working so that the Board can decide what to do about it.

ArP referred to slide 9 of the PowerPoint presentation. He said he had contacted 10 members, who had cancelled their DD either via their bank or directly with the BMC, by phoning them to offer them 3 months of deferred payment, and then the remaining 9 months at half price (the Offer). He made the following points:

- all the members contacted were pleased the BMC had engaged with them
- 4 members had accepted the Offer
- 2 liked the Offer, but wanted to stay more in control (i.e. not use DD) and so will re-join when more suitable to them
- 2 no longer needed membership for mountain training reasons
- 2 no longer needed membership as they no longer participated in BMC activities.

ArP had also sent a generic email out to 30 members who had cancelled their DD, the message being that the BMC is trying to be sensitive to members' issues during these difficult times, and advised the 30 members of the Offer. He said this had also been received positively, with 8 members agreeing to the Offer. He noted that the offer had only been communicated to those 40 members contacted to date.

The meeting then made the following points:

- JW asked what costs are incurred i.e. re insurance provided, cost of mailing documents to them etc. He asked what level of risk this carried.
- LR asked about staff costs in implementing the Offer.
- DT noted that in terms of individual costs it was approximately £5.50 for insurance, £2 for Summit and 60p postage, so the BMC would not lose money on a half price offer
- HJ asked why this was not being used as an opportunity to get members to switch to Blue membership – it was noted Blue membership is age restricted
- there was a general concern about what might happen if the Offer became more widely known via social media channels

- ArP noted that a lot of income is linked to inertia (i.e. not cancelling DD) and so the benefit of this scheme may not be seen in 2020, but hopefully in 2021, 2022 etc.

2.6 GP asked the Board if they were prepared to back the Offer. FS asked for comments from AP and MB as to what their organisations from their day jobs were doing.

AP said the following:

- her working environment was heavily regulated, so it was a little different
- if X says they cannot make their payments her organisation is giving them a 3 month payment holiday – but they need to pay the full cost back over the remaining term by way of a repayment plan
- she felt 3 months was the right length of time and supported the sentiment of the scheme
- she was concerned that the offer may get out on social media

MB noted the following:

- his organisation is giving everyone 3 months free membership and this has resulted in a 2.5% attrition rate
- all members are being treated the same, so a blanket approach is being taken, but his organisation can afford to do this
- in respect of his other non-exec roles he noted the National Parks toll system regarding boats had given its users a 3 month waiver, so there seems to be a recognition there needs to be a pause for 3 months
- he felt that figures should be produced to show the financial hit for a 3 month extension to all members
- the BMC is a not for profit organisation and so it should not be afraid of the Offer getting out on social media, as a membership organisation it is important that the members are on the journey with us – other organisations are being very open about the impact coronavirus is having on them.

2.7 PD said the big benefit of the Offer is it is substantially easier to retain members, as opposed to trying to find new members at a later date. It is also cheaper to keep hold of existing members.

JP said he was uneasy with the idea of members suffering financial hardship being unaware of the Offer, so they cancel their membership and then find out about the Offer for those with a DD. He wondered if there should be a statement on the website to let members know that if they are suffering financial hardship they should contact the BMC. AP noted this is what her organisation has done, so customers contact them.

FS felt this was the right thing to do, as there needs to be transparency with what the BMC is doing and she is worried about the smaller clubs.

JW felt the Offer resulted in significant inequity, relative to the BMC's response to clubs that had asked for financial reductions, but it had been agreed they would not get any reduction in their 2020 affiliation fees. There were 4,400 club members who had missed the 31 March renewal deadline, and he said it was totally inequitable to make the Offer to individual members and not club members, and was inconsistent with what the Board agreed a week ago. He added he would struggle to explain this inconsistency to the four clubs (including the Fell & Rock and MAM) who had asked for reductions prior to the renewal deadline.

[NB at this stage, the meeting adjourned for 5 minutes to allow everyone to partake in the applause for key workers at 8pm. JP said he would be unable to return after the break, so he left the meeting.]

- 2.8 The meeting resumed and GP noted that a decision needed to be made as to whether the Offer should remain reactive and discreet, or if something should be published on the website asking those suffering financial hardship to get in touch. Alternatively should the Offer be stopped.

ArP noted that in respect of risk there is precedent as in 2007 the BMC introduced the half price for a year's membership if members converted to a DD. Those that did not convert did not ask for a year's membership at half price. This was also the case when £10 off membership was offered in response to GDPR. He added that the Offer can be turned off at any point in time.

CS noted the key difference in respect of the Offer is that the BMC actively said no to clubs in respect of financial assistance. He asked if it was possible to go back to clubs to offer them something. FS was worried if clubs found out about the Offer they may decide to join Mountaineering Scotland in the future.

PD said that in respect of financial help for clubs, this could be looked at when they next renewed in 2021, or in the case of student clubs in September 2020. JW said it was not just the inequity, but the gain versus the risk i.e. a few individual members versus the membership of several thousand club members. PD disagreed, he reiterated that financial assistance could be looked at later in 2020 or in 2021.

DT asked if there had been any feedback from club members in respect of the Offer. ArP felt the issue of club members was not related to the Offer, he added that no-one from a club has ever questioned the half price for a year DD offer.

FS suggested a plan should be put in place as to how the BMC can help clubs in September 2020 and next year.

JW disagreed, he said clubs had asked the membership team 3 weeks ago for help, the BMC Board had said no and a lot of those clubs therefore paid membership renewal fees in full.

- 2.9 JW then asked if this issue was a Reserved Matter, if so National Council should also be consulted. LR said the Offer was not a proposed change to a category or criteria of membership so it was not a Reserved Matter. CS and AP agreed with LR, but noted it was an issue in the spirit of the Reserved Matters, so they suggested National Council should be consulted. LR agreed with this.

GP asked if the only decision the Board can make is to put the Offer on hold.

AP felt the BMC should do something as what it does now will be looked at differently in 3 or 6 months' time.

GP said it was a reputational issue, doing nothing, or doing something that was not transparent/fair.

DT said it was a unique situation and in the past the office has had the flexibility to come up with ideas. He has never had a club member complain to him about the half price DD offer. He felt staff morale may be affected as the staff are acting in the best interests of the BMC, the ideas they have come up with are all from the position of doing what is best for the BMC.

GP felt that the call had raised issues not previously discussed and so a paper should be prepared setting out whether the Offer was too generous, how transparent it should be and what should be done for clubs. He added that the Offer has perhaps been made in the wrong way and the Board is now playing catch up. He added the Board needed to understand how viable the Offer was and that there may be a case for National Council being consulted.

FS stated the BMC was making the Offer with the best intentions, and that any paper produced should include approximate take up figures and the clear costs involved in the Offer, including the cost of staff time.

PD said he disagreed with the way this was being handled and staff should have the Board's support to do this, especially as it is an emergency situation and passing the issue back to staff for them to prepare fully costed figures is like kicking it into the long grass.

ArP said he was just trying to be member-centric and had looked at what the BMC could do as an organisation to get members not to cancel, and to retain members.

GP said the initiative should be applauded, but it has become a difficult issue. He added that unless National Council were able to discuss the matter quickly and in confidence this could extend the problem. Because of other agenda items scheduled for this call not being reached, he felt a 2-hour call was needed on 16 April even without returning to this matter on that occasion.

FS asked if Teamwork could be used for documents to be uploaded and comments made as she was concerned that matters were being missed because of long email threads.

MB said he supported PD's views – the governance structures of the BMC need to allow for decisions to be made quickly. He feels this is not the way to govern the organisation, he takes JW's point but believes too much is being made of it. There is also a need to be supportive of the way in which the Chair seeks to progress items.

DT added that in the past, matters such as the Offer had never been put in front of the Board and that has never been an issue. He queried whether such issues should be put in front of the Board in future if it was not capable of making a decision.

GP closed the meeting by noting he would prepare a paper about the Offer over the Easter weekend and that the meeting on 16 April would be for 2 hours in order to cover the other items.

**Agreed
Action: GP
and DT**

Item	Action	Involving	Target date
2.2	HJ to get figures to the FAC so they could start processing the figures to provide a report for the Board, and to ask them to consider the attrition rates of clubs and club members	HJ	Immediate
2.4	AB and DT to review expenditure and areas where expenditure could be cut	DT & AB	Tuesday 14 April
2.9	GP and DT to prepare a paper in respect of the Offer to enable the Board to reach a decision as to whether to continue with it or not	GP & DT	Immediate
2.9	LR to consult with National Council on the Offer.	LR	Immediate